

Dear Mark, Scott and Bill,

I am writing on behalf of Mission H₂O to provide comments on the work product of the work groups of the Eastern Virginia Groundwater Management Advisory Committee, as requested in your emails of June 2, 2016. Many of our members have been participating on the work groups, and may be providing individual comments as well.

Overall, our members believe that the work of the work groups has been beneficial. There have been helpful discussions and an increased understanding and appreciation for the constraints that exist both for individual water users and also for the resource as a whole.

We understand the need to present work product and action items to the Eastern Virginia Groundwater Management Advisory Committee. However, we have some concern that the current work products have not been fully fleshed out. Accordingly, we hope that some context is provided for each of the documents when presented to the full committee, and that the committee will not be asked to make any final decisions based on these documents.

There are, however, some big picture issues that have arisen during work group discussions that it would be helpful to present to the full committee in order to better direct the work of the work groups. Following are some of the questions our members would like to have presented to the full committee:

1. As a policy matter for water storage and water supply projects within the Eastern Virginia Groundwater Management Area, should Virginia rethink what is considered an “impact” when water sources are created, i.e., is an impact to stream or wetlands really an “adverse” impact when it occurs in the process of creating a needed drinking water source? How should we prioritize benefits and impacts when evaluating new water sources?
2. Several of the subcommittees have discussed the need for additional water storage in the Eastern Virginia Groundwater Management Area. Under the current permitting framework, such projects are not initiated until a need (typically defined as an end user) has been identified and quantified because a demonstration of need is required for the necessary permits. However, given the current status of the aquifer and recognized need for water storage, should the definition of need be revisited, so that it encompasses a recognized resource need? Adjusting the definition of need may also lead to greater participation and investment by the private sector.
3. The current actual withdrawals from the aquifer are less than the permitted withdrawals, and it is permitted withdrawal volumes that have been used to model the current status of the aquifer. While there may be instances where new water sources have been identified that could be implemented relatively quickly, in other instances there has yet to be a long-term solution identified for meeting

water needs and achieving desired reductions in groundwater withdrawal amounts. The question remains – how should projects being considered affect the permitting timeline?

4. In order to accommodate short and long term growth, incentives for improvements in water use efficiency – not just absolute reductions – should also be considered through this process. Steps already taken to reduce water consumption and improve efficiency should also be recognized, so that these “early action” investments receive credit. Further reductions may be more difficult for those users who have already taken significant steps to reduce water use versus those users who have not.
5. There is a strong need to continue to pursue regional and large-scale solutions for water supply management, in addition to acting on immediately available smaller scale projects. It is not realistic to expect significant reductions in water use from a handful of groundwater permittees without an identified solution, and also to expect that those users can simultaneously sustain community development and family wage jobs.
6. The Funding Options Workgroup (#4) should begin work as soon as possible to identify funding opportunities for new water sources. This work group should also evaluate the creation of financial incentives for smaller water reduction and efficiency projects.

Mission H₂O’s comments on the specific documents developed by the work groups follow below:

Work Group #1 – Alternative Sources of Supply

- The three charts are a good summary of the discussions to date. However, they should not be presented to the full committee as a complete list or a final evaluation.
- The charts do not include any analysis of the timing associated with each of the options. This is an important aspect to understand about each option. For example, if one option could be implemented in 12 months while another would take 5 years to implement, that would be helpful to know. It would be helpful to include this type of information in the next iteration of the charts.
- The chart is broken up into three areas of the aquifer. A fourth chart should be prepared for large-scale options that might benefit the entire aquifer. For example, the HRSD aquifer recharge project is likely to benefit the entire region, not just a subset of the region. There may be other large-scale projects that would also fall into this category.

- It is unclear whether there is any ranking of these options – any options that are believed to be more viable than the others. The charts also do not include any specific details for proposals that have been made. For example, a presentation was given on a specific existing storage site – Cranstons Mill Pond – and this is not included in the chart, but should be. It would be helpful in the next iteration of the chart to highlight the options that are believed to have the greatest likelihood of success, both with respect to benefit to the aquifer/water shortage issue and also with respect to realistic viability from a regulatory/permitting/economics perspective.

Work Group #2A – Trading

- Credits for ASR and water banking type projects are important, and our members are supportive of the need for this to occur.
- A banking strawman was developed in the subcommittee. However, this strawman appears to be slightly different from that presented during individual permitting discussions. A final version, agreed upon both by the subcommittee and the permittee affected should be developed before it is presented to the full committee.
- While the credits for water banking projects is a great first step, our members remain interested in further discussion and consideration of other water trading programs as well. Opportunities to trade credits related to unused permitted allocation and to generate credits for water reduction and water efficiency improvement projects should be explored. The development of the banking strawman should not be viewed as the final and only work product of this subcommittee.

Work Group #2B – Alternative Management Structures

- Our members believe that the strawman for creating voluntary allocation agreements is unnecessary and would not further the goals of resolving water shortages on a regional basis. Water sharing contracts are already in place and factored into the permits that have been issued in several areas of the Eastern Virginia Groundwater Management Area, so this is not viewed as creating a new (or better) tool.
- The subcommittee has discussed whether there is a need to change the permitting system and the general consensus among the participants appears to be that the system works pretty well, but could benefit from additional opportunities to collectively evaluate the status of the aquifer and alternative water source options, as well as coordination of multiple water programs (groundwater, surface water, stormwater) to enable more comprehensive resource management.

- Questions remain about the permitting criteria themselves (i.e., the application of the 80% drawdown criteria) and the use of the model. A greater understanding of the application of the model is needed before it is used as the basis for individual permit determinations. A stakeholder and peer review process focused specifically on the model is needed. It is our expectation that these questions will be addressed in the permitting subcommittee once that committee is formed.

Thank you for your consideration of these comments.

Sincerely,
Andrea

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